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August 1, 1997

EXECUTIVE SECRETARY

BY MESSENGER

David Waddell
Executive Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

**Re: Universal Service Generic Contested Case
Docket No. 97-00888**

Dear Mr. Waddell:

Please find enclosed for filing the original and thirteen copies of AT&T's Comments on the August 15, 1997 FCC deadline.

Sincerely,

A handwritten signature in cursive script, appearing to read "JL", written over a horizontal line.

Jim Lamoureux

Encls.

Cc: All parties of record

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee
REGULATORY AUTHORITY.

IN RE:

UNIVERSAL SERVICE GENERIC
CONTESTED CASE

) '97 AUG 1 AM 11 50
) Docket No. 97-00888
)
) EXECUTIVE SECRETARY

AT&T'S COMMENTS ON THE AUGUST 15, 1997 FCC DEADLINE

Pursuant to the July 28, 1997, Hearing Officer's Notice of proposed Schedule and Request for Comments, AT&T Communications of the South Central States, Inc. ("AT&T") submits the following comments concerning the August 15, 1997, deadline for the TRA to notify the FCC whether the TRA intends to develop its own cost study for federal support of universal service in Tennessee.

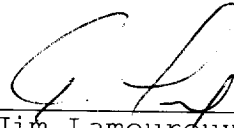
AT&T believes that the Hatfield Model should be used as the forward looking cost study for both federal and state support of universal service in Tennessee. AT&T intends to file the Hatfield Model with the TRA in this proceeding according to the schedule established by the Hearing Officer. AT&T has submitted the Hatfield Model to the FCC.

In order to maintain methodological consistency, AT&T believes that a single cost study should be used to support both federal and state support of universal services. AT&T also believes that the cost model that is used to set permanent unbundled network element prices should rely upon

the same methodology used to establish universal service support and access reform.

The FCC will choose its forward looking cost study for federal support of universal service in 1998. If the TRA desires a consistent methodological approach to federal and state support of universal service, then AT&T believes the TRA should decide to develop its own cost model. Of course, AT&T believes that the TRA should adopt the Hatfield Model as its cost model.

Respectfully submitted



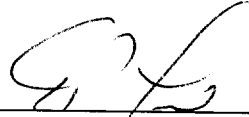
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Dated: August 1, 19987

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been served on counsel of record and other interested parties via First Class Mail postage prepaid, this 1st day of August, 1997.



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